

CITY OF SAN JOSÉ, CALIFORNIA
Department of Planning, Building and Code Enforcement
801 North First Street, Room 400
San José, California 95110-1795

Hearing Date/Agenda Number
P.C. 7/09/03 Item: 4.f.
C.C. 8/19/03 Item

File Number
PDC 98-104

Application Type
Planned Development Rezoning

Council District
3

Planning Area
North San Jose

Assessor's Parcel Number(s)
230-46-054, 055, 056, 058, 059

STAFF REPORT

PROJECT DESCRIPTION

Completed by: Andrew Crabtree

Location: West side of Coleman Avenue between Newhall Street and Brokaw Road

Gross Acreage: 92.5 Net Acreage: 92.5 Net Density: n/a

Existing Zoning: HI Existing Use: Vacant industrial facility, commercial parking establishment

Proposed Zoning: A(PD) Proposed Use: Up to 3,000,000 square-feet of office/research and development uses or other industrial or commercial uses with equivalent traffic generation

GENERAL PLAN

Completed by: AC

Land Use/Transportation Diagram Designation
Combined Industrial/Commercial

Project Conformance:
☒ Yes ☐ No

SURROUNDING LAND USES AND ZONING

Completed by: AC

North: Airport related uses, Airport

Heavy Industrial

East: Industrial, Commercial, Residential

Heavy Industrial

South: Heavy Industrial

Heavy Industrial

West: Industrial

City of Santa Clara – Industrial/Commercial

ENVIRONMENTAL STATUS

Completed by: AC

☒ Environmental Impact - resolution to be adopted
☐ Negative Declaration circulated on
☐ Negative Declaration adopted on

☐ Exempt
☐ Environmental Review Incomplete

FILE HISTORY

Completed by: AC

Annexation Title: College Park / Burbank Sunol #8

Date: December, 8, 1925

PLANNING DEPARTMENT RECOMMENDATIONS AND ACTION

☒ Approval
☐ Approval with Conditions
☐ Denial

Date: _____

Approved by: _____
☐ Action
☒ Recommendation

APPLICANT/DEVELOPER/OWNER

Daniel Schuchardt
FMC Corporation
200 East Randolph Drive
Chicago, IL 60601

Eli Reinhard
Arcadia Development Company
1115 Coleman Avenue
San Jose, CA 95110-1104

PUBLIC AGENCY COMMENTS RECEIVED**Completed by: AC**

Department of Public WorksSee attached memorandum.

Other Departments and AgenciesSee attached memorandum.

GENERAL CORRESPONDENCE

None received.

ANALYSIS AND RECOMMENDATIONS

BACKGROUND

The applicant is proposing to rezone the subject 92.5 gross acre site from HI Heavy Industrial to A(PD) Planned Development to allow the development of up to 3,000,000 square-feet of office/research and development uses or other industrial and/or commercial uses with equivalent traffic generation.

The proposed Zoning would allow a large degree of flexibility in the development of the site with either industrial or commercial uses. While the project applicants envision developing the site primarily with Office and Research and Development type uses, the proposed Zoning would also allow for commercial uses including hotels, commercial parking facilities, rental car facilities and new vehicle sales. Essentially any commercial or industrial use allowed in the City's IP Industrial Park or CP Pedestrian Commercial districts, with the exception of residential uses, would be allowed under the proposed Zoning. The environmental impacts, including traffic, of any proposed use would be evaluated through a Planned Development Permit application process to verify that those particular uses would not result in impacts beyond those addressed in the project Environmental Impact Report (EIR).

The subject property has a long rectangular shape, approximately four times as long as it is wide. It is bordered along its western edge by Coleman Avenue, from which it is accessed. Beginning in 1948, the site was used by the FMC Corporation as a heavy industrial manufacturing facility. For many years FMC manufactured food-processing equipment in support of the local agricultural industry. At some point, FMC transitioned use of the site to the manufacture of military equipment. For the past few years the property has been largely unused, with the exception of a commercial parking establishment operated on the southernmost 25 acres and soil remediation activities. The site is currently under-utilized and because of its large size and important location, presents an important and unique opportunity for redevelopment within San Jose.

In 1997, at the request of the property owner, the General Plan designation of the site was changed from Heavy Industrial to Combined Industrial/Commercial (staff report attached). This change was requested in order to facilitate sale of the property for redevelopment with either industrial park or commercial uses, the latter envisioned to primarily support the activities of the San Jose Norman Y. Mineta International Airport. The City Council directed at that time that a master plan should be developed for the site prior to any rezoning or issuance of a new development permit. With the cooperation of the project applicant, staff hired a consultant (ROMA Design Group) to perform this master plan exercise. Elements of the master plan have been incorporated into the proposed zoning.

Surrounding land uses are generally industrial or commercial. The Airport and associated airport uses are located to the north, across Coleman Avenue. The project site abuts the boundary between the cities of San Jose and Santa Clara to the west. Currently the adjacent portion of Santa Clara is developed with light industrial and industrial park type uses. A large shopping center, including a Costco, is located further west, across Brokaw Road. The site is bordered on the south by a Union Pacific Railroad switching yard facility, and Union Pacific and Caltrans rail lines. Large-site, heavy and light industrial uses are located to the south beyond the railroad property. Newhall Street sets the site's eastern boundary. A mix of commercial, light industrial and residential uses occupies the small neighborhood to the east, between the project site and Interstate 880. The project is located in close proximity to a new interchange being constructed by the City VTA at the intersection of Interstate 880 and Coleman Avenue. Newhall Street currently intersects Coleman Avenue at the southeastern corner of the project site, but as part of the construction of the new I-880/Coleman interchange, Newhall will be extended through the project site to intersect Coleman Avenue at a point further north to maintain access to the businesses and neighborhood south of the project site.

The Santa Clara Caltrain station is located approximately a quarter mile to the northwest of the project site, but is not directly accessible because of the intervening rail lines and properties. Stations for BART and the Airport People-Mover (APM) transit system are also preliminarily planned for this area as part of the BART extension to San Jose project. The completion of these transit systems would make the Caltrain station accessible to the site and the area an important transit hub.

ENVIROMENTAL REVIEW

The environmental impacts of this project were addressed by an Environmental Impact Report (EIR) entitled "FMC/Coleman Avenue Planned Development Rezoning (PDC98-104)" to be heard by the City of San Jose Planning Commission immediately prior to this rezoning, scheduled for July 23, 2003. The EIR adequately addresses impacts, mitigation measures and project alternatives that would avoid or reduce impacts. The EIR analyzes the potential for environmental impacts resulting from the project and identifies that the project would have significant impacts related to transportation, air quality, noise, geology, hydrology, vegetation and wildlife, hazardous materials, and cultural resources. Mitigation has been identified and included in the project to reduce the impacts upon noise, geology, hydrology, hazardous materials and cultural resources to a less than significant level. Mitigation measures have also been identified and included in the project to reduce some portions of the impacts upon transportation, air quality and vegetation and wildlife to less than significant levels, but some unavoidable, significant impacts remain in these categories. As a result of these impacts, the project would also result in a significant unavoidable cumulative impact. Adoption of this EIR will require that the City Council determine that there are overriding considerations for those significant unavoidable impacts prior to approval of the proposed rezoning.

Specifically, the EIR identifies that the project would have significant unavoidable impacts upon:

1. Traffic on 16 freeway segments already operating at Level of Service (LOS) F. Mitigation for these impacts would require the addition of extra freeway lanes, which is not feasible for this project to implement.
2. Regional air quality, due to increased emissions associated with traffic. The project will include Transportation Demand Management (TDM) measures and other elements intended to reduce automobile traffic, but those will not be sufficient to reduce the air quality impact to a less than significant level.
3. Burrowing Owl habitat. Redevelopment of the site will result in the loss of approximately seven acres of Burrowing Owl nesting and foraging habitat. It would be possible to replace this habitat at another location on the project site, but this measure has not been included in the project.
4. Cumulative traffic, air quality, and loss of Burrowing Owl habitat impacts. There are no mechanisms in

place to achieve mitigation of identified cumulative impacts.

Numerous comments have been received from the agencies and interested parties that reviewed the project Draft EIR. The State Department of Transportation and the County of Santa Clara, Roads and Airport Department expressed concern that the project would not include more road improvements or contributions to regional road infrastructure projects. The State Department of Transportation, Division of Aeronautics, and the County Airport Land Use Commission commented on the project's compatibility with the operation of the Airport. These comments have been addressed in the First Amendment to the Draft EIR and are thereby incorporated into the Final EIR document.

Three public agencies (the City of Santa Clara, the Bay Area Air Quality Management District and the Valley Transportation Agency) commented extensively on the project EIR. While their comments touched on several issues, they primarily were concerned that the proposed land uses do not adequately address the opportunities for "transit-oriented development" on the subject property. They argue that a project with a greater degree of transit orientation would result in less traffic generation and thereby less impact on air quality. Further, they suggest that minor modification to the project, including the use of structured parking, could eliminate the impact upon Burrowing Owl habitat. This issue is discussed in the First Amendment to the Draft EIR, and also discussed below in the Analysis section.

GENERAL PLAN CONFORMANCE

The subject site is designated as Combined Industrial/Commercial on the General Plan Land Use/Transportation Diagram. The proposed zoning includes industrial and commercial land uses consistent with this designation.

The General Plan establishes a height limit for the site based upon compliance with the Federal Aviation Administration (FAA) restrictions for building heights in proximity to the airport. The proposed zoning would establish height limits for development of the subject property consistent with the General Plan height limit and consistent with the City's goals for continued operation of the airport. These are conceptually illustrated on Page 6 of the General Development Plan. Building heights along Coleman Avenue would be approximately limited to a range of 65 feet at the southern end to 150 feet at the northern end. Buildings located away from Coleman Avenue could be significantly taller depending upon the approval of the FAA.

Because the site is located along Coleman Avenue and in proximity to the Airport, it is considered an important gateway into San Jose. Similarly, because the site is located in proximity to several existing or planned transit facilities, the project is considered an opportunity for transit-oriented development. These concerns are discussed below.

ANALYSIS

The proposed Zoning establishes direction for the future development of the subject site in terms of: 1) land use; and 2) development standards. The proposed Zoning includes measures intended to generally establish land uses and intensity, foster transit orientation, establish a development pattern appropriate for a large area, establish an parking standards, and insure an appropriate level of architectural quality for a "gateway" to the City. These issues are generally analyzed for conformance with the City's General Plan, Zoning Ordinance and Design Guideline policies.

1) Land Use

Allowed Uses

The proposed Zoning is designed to allow a great deal of flexibility for the future development of the site while also establishing a certain degree of development potential. For this reason, the Zoning would allow, either by right or through a Planned Development Permit, any use allowed in the Industrial Park and Pedestrian Commercial zoning districts, as currently defined in the City's Zoning Ordinance, with the exception of residential uses. The Zoning does include performance standards and other restrictions to help insure that compatibility of these differing uses is resolved at the Planned Development Permit stage. The applicants envision that the site could be developed primarily with industrial office (office/research and development) buildings, along with some supporting retail, and have designed the Zoning to be consistent with this vision. Airport-supporting commercial activity is also envisioned as an important use of the site, and the Zoning specifically addresses hotels, automobile rental, new automobile sales and commercial parking as potential uses. The conceptual site plan and Zoning Development Standards have been designed with these uses in mind, but are also general enough to accommodate other potential uses on the site.

The City of Santa Clara and the Valley Transportation Authority (VTA) have suggested that the City of San Jose should include residential development within the subject project. Santa Clara has recently adopted a master plan for the Caltrain station area that includes fairly high-density residential as well as commercial and industrial development. The City of San Jose, however, does not consider the subject property suitable for housing for several reasons. Because the site has a long history of heavy industrial use, much of the soil is contaminated with industrial waste materials. The project includes remediation of the soil to a level acceptable for commercial or industrial park type redevelopment, but it would be difficult to reach the level of remediation necessary for residential development. Most of the adjacent land uses are also industrial or commercial and would make a difficult residential interface. The site is also exposed to high noise levels from the Airport, rail lines and Coleman Avenue. Staff believes it would not be appropriate to place housing along Coleman Avenue, which has a commercial/industrial character and is a gateway into central San Jose. It also would not be desirable to place housing along the opposite side of the site, oriented toward the railroad lines and the neighboring heavy industrial areas. The proposed zoning would allow for a mix of industrial and commercial uses, but would not allow residential development.

Development Intensity

Development intensity of the subject property would be carefully limited to be consistent with the analysis completed as part of the environmental review of the project. Because industrial uses were anticipated as the most likely future use for the site, traffic analysis completed for the project analyzed the potential traffic generation for industrial development. The applicant conducted extensive analysis to determine the amount of industrial or commercial development it would be possible to achieve on the site consistent with current City traffic policies. As part of this analysis, it was determined that staff could support the exclusion of the project site from the North San Jose Area Development Policy boundary. It was determined that with the traffic improvements included within the project, it would be possible to develop 3 million square feet of industrial office space on the property without exceeding current City LOS standards. Other types of commercial or industrial development would likely have different traffic generation characteristics. If this Zoning is approved, further analysis will need to be conducted at the Planned Development Permit stage to determine that the specific development proposed at that time will not result in any new traffic impacts other than those already analyzed. As a result, the precise allowable square footage of the mix of new development will not be known until the issuance of Planned Development Permits.

Transit Orientated Land Use

The discussion begun in the project EIR, related to opportunities for transit-oriented development, has multiple facets. Because the project site is located in proximity to an existing Caltrain station and would be equally close to planned stations for BART and an Airport People-Mover transit system, development of the site should be oriented toward these transit opportunities. The City has worked with the applicant to facilitate the development of the site in a transit-oriented manner, given various constraints upon the property.

The Zoning specifically would allow for a combination of industrial park and commercial uses in order to achieve some of the benefits of a mixed-use development. The proposed Zoning states that the development of office buildings should include vertical, mixed-use components, allowing the opportunity for the development of retail and other supporting commercial uses in close proximity to employees. Providing services in close proximity to employees allows for a reduction in automobile use, when those services are located within convenient walking distance.

Consistent with comments received from other agencies, the City would like to maximize the amount of development on the subject site to provide potential demand for the existing and planned transit facilities. It is an important goal of the BART project to increase the intensity of uses in proximity to proposed station locations as much as possible. As discussed above, the Zoning has been designed to allow a maximum amount of development intensity on the site given current City traffic policies. The overall intensity of development on the site is also restricted by height limits necessary for the safe functioning of the airport. The applicant conducted several studies to determine how to best utilize the space available on the site, given the existing height limitations, and to develop a site plan that would preserve opportunities for future intensification if City policies change to allow additional development. Accordingly the conceptual site plan attached to the proposed Zoning depicts a layout that reserves several areas for future development. In the scope of this Zoning, these areas would likely be developed initially with surface parking lots. It is envisioned that in the future, it might be possible to replace the surface lots with additional buildings and parking structures, further intensifying the site in response to BART.

2) Development Standards

Development Pattern

The subject property has a long, rectangular shape, bordered on one side by Coleman Avenue and by a proposed new public street on the other. Three new streets would divide the 92-acre site into four areas, roughly equal in size. The northernmost and southernmost of these new streets would be standard public streets, while the middle one would be a private street and include a large 106-foot wide median landscape area. In addition to the large median open space area provided at the center of the site, two smaller plazas would be provided on the northernmost and southernmost of the four areas. An additional private street is proposed to provide north-south circulation parallel to Coleman Avenue. The southernmost block (Area 4) is the most impacted by the Airport height restrictions and a no-build area, so the middle north-south street would not extend into it in order to maintain a suitable area for development. The combined effect of these new public and private streets is to establish a block pattern for development of the site comparable to the form of seven new city blocks.

The proposed grid pattern has a number of positive characteristics in keeping with the City's goals for development of the property. Breaking down the site into smaller blocks will facilitate development of the site while also providing for good private and public access to the site's interior, allowing for internal circulation that could lessen the traffic burden upon Coleman Avenue, and providing an opportunity for connection to the various transit facilities planned for the project's vicinity. The new public street would end at the Santa Clara

border, but is consistent with that city's plans, and would facilitate possible continuation of the street grid pattern into Santa Clara.

Parking

As proposed, the Zoning would allow for a reduction of up to 25% from the City's standard parking requirements. Such a reduction is considered appropriate given the site's proximity to transit facilities, incorporation of measures intended to encourage transit use, and the potential for internalization of trips between different uses included within the subject site.

Parking is also capped, for industrial development, at a ratio of 3.2 spaces per 1000 gross square feet of building area. This cap is approximately 30% above the City's minimum requirement for office/research and development uses. The applicant has indicated that is important to provide a large degree of flexibility in the parking requirement because the mixture of future uses of the site has not been determined. The Zoning also allows for a variety of commercial activities, including commercial parking facilities and/or new car sales uses on the site. The parking maximum would not apply to these uses.

Gateway Architecture

Because the subject property extends along a major street (Coleman Avenue) and is located in proximity to the Airport, it has a high degree of visibility for both San Jose residents and visitors to the City. Future development of the Santa Clara Caltrain transit hub could also give the site even more exposure and importance. While the City seeks a high level of architectural quality for all new developments, special consideration will need to be given to this site in recognition of its importance and visibility. To address this, the proposed Zoning would require that as development occurs, buildings be placed with an orientation along Coleman Avenue and other public streets. At least 75% of the buildings along Coleman Avenue must be three stories in height or taller. Buildings along Coleman could be much taller (up to 150 feet at the northern end), but must be limited by the FAA height restrictions.

Transit Orientation Design

The proposed project would also include several design measures intended to support transit-oriented development. The Zoning would require that careful attention be given to the establishment of high-quality pedestrian circulation routes throughout the project. Several green spaces are included in the project and 10-foot sidewalks and significant planting/park strip areas will be provided along all new streets. In addition to the areas designated as "landscaped/open space area" on the General Development Plan, at least 10% of each Planned Development Permit site will need to be open landscaped area. Private areas of the development will also need to be designed to support pedestrian activity. The visibility of parking areas will be minimized by placing them behind buildings. Trees will be placed within parking areas at the City's standard ratio of 1 tree per 4 parking spaces for parking provided equivalent to 90% of the City's parking requirement. For parking provided in excess of that level, trees will be required at the greater ratio of one per three parking spaces.

In addition to standard TDM measures, the project would include a shuttle bus connection to the nearest transit facilities to be provided once a critical amount (1.5 million square feet) of the development has been implemented for employees to support a shuttle.

Finally, the proposed Zoning would accommodate the potential acquisition of a portion of the site for use by the planned BART facility. Although the actual area needed for the BART station (and maintenance facility) is not yet determined, one early proposal indicated that the maintenance facility may require acquisition of an 15-acre portion of the subject property. The proposed Zoning requires that future development of the site take this in to

consideration, and based on the best information available at the time of any development, would not allow the construction of permanent structures in the area needed for the BART facility.

PUBLIC OUTREACH

A notice of the public hearing was distributed to the owners and tenants of all properties located within 1000 feet of the project site for the public review period of the project EIR and for the public hearings for the EIR and the subject rezoning. Both notices were also published in the San Jose Mercury News. The project was also discussed at several public meetings conducted as part of the Interstate 880/Coleman interchange and Guadalupe Gardens Master Plan projects.

RECOMMENDATION

As discussed above, the proposed Zoning would facilitate the development of the subject property while meeting City goals and policies.

Planning staff recommends approval of the subject conforming rezoning for the following reasons:

1. The project is consistent with the General Plan Land Use/Transportation Diagram of Combined Industrial/Commercial
2. The project is consistent with General Plan goals and policies.
3. The project conforms to the City's commercial and industrial design guidelines.
4. The project does not include adequate mitigation for potential environmental impacts associated with the project. A Statement of Overriding Considerations will be required for the project.

c: Linda Callon, Berliner Cohen; Ten Almaden Blvd., Suite 1100, San Jose CA 95113
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